

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

IN RE: Robert J. Zartler, Jr. :
 :
 : **Chapter 11**
 : **No. 16-15992 ref**
 :

DEBTOR'S DISCLOSURE STATEMENT

This Disclosure Statement has been prepared by Debtor as proponent of the Plan of Reorganization filed contemporaneously herewith. The Debtor provides this Disclosure Statement to the scheduled creditors of the Debtor In order to disclose that information which the Debtor believes to be necessary for the creditors of the Debtor to arrive at a reasonably informed decision in exercising the right to vote on the Plan of Reorganization filed by the Debtor in this chapter 11 case (the "Plan"). A copy of the Plan is being provided with this Disclosure Statement.

THE DEBTOR RECOMMENDS THAT YOU VOTE TO APPROVE THE PLAN

In addition to this Disclosure statement and a copy of the Plan, you will find enclosed a ballot by which you can reflect your acceptance or rejection of the Plan. The ballot should be completed and returned to the Debtor's counsel prior to the hearing for confirmation of the Plan.

Any representations or inducements made to secure your vote, which are other than as contained in this statement, should not be relied upon by you in arriving at your decision, and such additional representations and inducements should be reported to the bankruptcy court for such action as may be deemed appropriate.

Background

Robert J. Zartler, Jr., is the individual Debtor in this chapter 11 bankruptcy case. At the time of filing, Debtor was the owner of real estate situate at 451 St. James Court, Nazareth PA 18064.

The Future

The Debtor believes that he will be able to cure delinquent payments for his property. Debtor shall continue to make payments on the primary mortgage and plan payments.

Post-Petition Financial Performance

Since the filing of his bankruptcy petition, the Debtor has been able to pay all regular monthly bills.

Possible Tax Ramifications

Each Creditor and Interest holder should consult their own tax advisor as to the specific tax consequences to such person of any term of the Plan, including the application and effect of federal, state and local income and other tax laws before determining whether to accept or reject the Plan. Debtor does not anticipate any adverse tax ramifications resulting from the performance of the Plan that would impair his ability to perform his obligations under the chapter 11 plan.

Disposable Income

Debtor's Plan requires that he pay \$840 per month from his personal income, other than any income generated by sale of personal property to fund the proposed Plan. Since at the time of filing his petition the Debtor had no disposable income (see Form 22B filed by Debtor), the proposed \$840 monthly payments exceeds the requirements of 11 U.S.C. §1129(a)(15)(B) that he devote all of his disposable income to the Plan for a period of five years.

Liquidation Analysis

Pursuant to 11 U.S.C. §1129(a)(7), which is called the "Best Interests Test", Debtor is required to demonstrate that his Plan is in the best interests of the unsecured creditors by showing that those creditors will receive more by way of his Plan than they would if the Debtor were forced to liquidate all of his assets today. Debtor's bankruptcy schedules indicate that his only non exempt assets are equity in vehicles the value of which is being fully submitted into the Plan. Debtor believes that the best interests test is satisfied by the indisputable fact that if Select Portfolio Servicing were to foreclose and sell 451 St. James Court, Nazareth PA 18064 at sheriff's sale, there would be no funds and no assets remaining with which to pay the creditors anything.

The Plan of Reorganization

The Debtor's Plan of Reorganization consists of payments to the various classes of creditors as follows:

Administrative Claims:

Class 1: This claim consists of all claims entitled to priority under § 507 of the Code except administrative expense claims under § 507(a)(2) and priority tax claims under § 507(a)(8) and shall be paid in full at or prior to confirmation unless otherwise agreed by the holder.

Class 2: This claim consists of the first mortgage claim of Select Portfolio Servicing secured by 451 St. James Court, Nazareth PA 18064 and shall continue to receive a payment in the amount of \$2,503.12 per month.

Class 3: This class consists of the second mortgage of RG Financial and shall be crammed down per an adversary action filed by Debtor.

Class 4: This class consists of the third mortgage of Progressive Financial Services, Inc. and shall be crammed down per an adversary action filed by Debtor.

Class 5. This class consists of all of the Debtor's General Unsecured Creditors as such term is defined in the Plan. This class shall receive annual dividends of 0% of their allowed claim from the escrow account established for that purpose as provided for in the Plan over a five year period or until they are paid a total of 0% of their allowed claim.

Class 6: This class represents the Debtor's residual interest in his non-exempt assets and the equity of 451 St. James Court, Nazareth PA 18064, if any, which will re-vest in Debtor after completion of his obligations as provided for in the Plan.

Voting and Its Significance

The Court may confirm the Plan if it has been accepted by the affirmative vote of claimants holding at least two-thirds in amount and more than one-half in number of the allowed claims of claimants in each class who actually cast votes to accept or reject the Plan.

A claimant who does not cast a vote to accept or reject the Plan will have no bearing on the outcome. Claimants who actually vote may bind those claimants who do not vote. Accordingly, the vote of each claimant is important.

In its disclosure statement order, the court has fixed the date for the mail of ballots accepting or rejecting the Plan. Claimants are urged to read that order closely to comply with its voting deadline. Claimants may vote on the Plan by completing the enclosed ballot and mailing it to counsel for the Debtor as the following address:

Everett Cook, Esquire
Law Offices of Everett Cook, P.C.
2309 MacArthur Road
Whitehall PA 18052

CREDITORS ARE URGED TO READ THE PLAN IN FULL. CREDITORS ARE FURTHER URGED TO CONSULT WITH COUNSEL OR EACH OTHER IN ORDER TO FULLY UNDERSTAND THE PLAN. THE PLAN, ALTHOUGH RELATIVELY SIMPLE IN FORM, IS BASED ON COMPLEX FINANCIAL CONSIDERATONS AND AN INTELLIGENT JUDGMENT CONCERNING SUCH PLAN CANNOT BE MADE WITHOUT UNDERSTANDING THESE CONSIDERTIONS.

The Law Offices of Everett Co, P.C.

September 26, 2016

By /s/Everett Cook